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July 31, 2013

Mr. Daniel Werfel
Principal Deputy Commissioner
Deputy Commissioner for Services and Enforcement
Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, D.C. 20224

Dear Mr. Werfel,

I am writing to make you aware of a potential risk to taxpayers' religious liberties that has come to light in the course of the Committee's investigation into targeting by the Internal Revenue Service (IRS) and to ask that you take swift remedial action.

In the Committee's first hearing on IRS targeting, on May 17, 2013, Representative Aaron Schock of Illinois asked then Acting Commissioner Steve Miller whether it was appropriate for an IRS revenue agent to have asked a 501(c)(3) applicant about the content of their prayers:

Mr. MILLER: It pains me to say that I can't speak to that one ... but that's -

Mr. SCHOCK: You don't know whether or not that would be an appropriate question to ask?

Mr. MILLER: Speaking outside of this case, which I don't know anything about, it would surprise me that that question was asked.

Americans generally were shocked to learn that the Coalition for Life of Iowa, pursuant to its application for 501(c)(3) status, was in fact asked by the IRS in writing:

Please explain in detail the activities at... prayer meetings. Also, please provide the percentage of time your organization spends on prayer groups as compared with the other activities of the organization.

The President of Coalition for Life of Iowa, Sue Martinek, testified about this experience before the Committee on June 4, 2013, in which she said that the abuse did not stop with the written questions. According to Ms. Martinek's testimony, a revenue agent offered her group a favorable 501(c)(3) determination in exchange for a pledge by the group's board members, under penalties of perjury, not to gather near a Planned Parenthood to pray. The IRS's conduct was so outrageous that any fair-minded observer wanted to believe that Ms. Martinek's experience was an aberration. We have learned in the course of our investigation that this hostility to religious expression may not be so limited.

On July 18, 2013, in the course of an interview conducted by House Ways and Means and Senate Finance Committee staffs, a one-time senior technical advisor to Lois Lerner, and self-described subject matter expert, was asked whether it would be appropriate for the IRS to ask an organization seeking exempt status to describe the content of its prayer to God. She stated that in some circumstances this type of questioning would be appropriate.

According to your June 24, 2013 report, "Charting a Path Forward at the IRS: Initial Assessment and Plan of Action," you created the position of Chief Risk Officer to, among other things, "initiate a comprehensive, agency-wide review of [IRS] compliance selection criteria, encompassing all business units across the IRS." On July 16, at the IRS's request, majority and minority staff received a briefing from your newly installed IRS Chief Risk Officer, David Fisher. Staff expected an update of Mr. Fisher's review of the Treasury Inspector General for Tax Administration's (TIGTA) May 14 report, "Inappropriate Criteria Were Used to Identify Tax-Exempt Applications for Review," as it related to his agency-wide review and risk-management plans generally.

At the briefing, Mr. Fisher instead sought to minimize the findings of the TIGTA report, an objective that seemed inconsistent with Mr. Fisher's core responsibilities, especially since the IRS has already agreed to implement all of the TIGTA report recommendations and has suspended the use of the so-called "Be On the Lookout" or "BOLOs." This report of the briefing raises concern about the focus of Mr. Fisher's efforts and the imperative to bring to his attention a potential current risk to taxpayers' religious liberties.

To ensure there are no current risks to religious liberty, please provide to the Committee, no later than August 14, 2013 answers to the following:

1. What is current IRS policy and practice as to inquiring about the religious beliefs and practices of applicants for exempt status or exempt organizations on examination?
2. Are there any circumstances when such inquiries are appropriate?
3. What safeguards are in place to ensure that inappropriate inquiries are not put to applicants for exempt status or exempt organizations on examination?

4. Assuming there are safeguards, how do you know whether the safeguards are effective?
5. What are you doing to ensure that the Chief Risk Officer and his subordinates are putting their collective time to the highest and best use?

Thank you in advance for your cooperation. If you have any questions, please contact staff at: (202) 225-5522.

Sincerely,



DAVE CAMP
Chairman



CHARLES BOUSTANY Jr., M.D.
Chairman
Subcommittee on Oversight